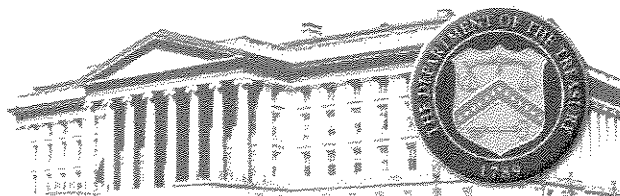


Department of the Treasury

# FOIA Improvement Plan



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# Department of Treasury

## FOIA Improvement Report June 14, 2006

### **A. Nature of Treasury's FOIA Operations**

The Department of the Treasury has decentralized Freedom of Information Act (FOIA) operations. For Headquarters, FOIA is administered by the Disclosure Office within the Departmental Offices and by staff within each policy office. FOIA operations in Treasury bureaus vary from a one or two person unit located at Bureau headquarters to the Internal Revenue Service (IRS) network of 15 district FOIA offices.

Treasury's main challenge in FOIA operations is to reduce the backlog of requests that have built up over the years. The Department received 53,330 FOIA requests in FY2005 and ended the year with a backlog of 4,883 cases. The main goal is to reduce this backlog. This will be achieved by reengineering the multi-track FOIA process, establishing targets for production, monitoring performance, assisting the personnel responsible for these tasks, and creating a FOIA Council for sharing ideas and accountability.

Success in reducing the FOIA backlog will be evaluated through metrics, such as request volume and complexity. The multi-track process dovetails with this endeavor to see that these variables are assessed early in the processing of the request to increase efficiency. Using the FOIA Access database and multi-track system organization, staff will be alerted so that new requests don't exacerbate the backlog problem.

#### **1. Organization in the Departmental Offices (DO) for FOIA Operations**

The program offices within DO are primarily responsible for policy. The majority of Treasury's workforce and resources are focused in its operating bureaus. DO includes divisions headed by Assistant Secretaries, some of whom report to Under Secretaries, with primary responsibility for policy formulation and overall management of the Treasury Department. They received 1,106 FOIA requests in FY2005. The program offices receiving the majority of the FOIA requests and the types of records requested are as follows:

*Executive Secretariat* serves as a major policy advisor to the Secretary and Deputy Secretary, and has primary responsibility for creating and recommending domestic and international financial, economic, and tax policy. Furthermore, it has a role participating in the formulation of broad fiscal policies that have general significance for the economy and managing the public debt. Its records document the Secretary's oversight of Treasury's law enforcement responsibilities and fiscal agent activities for the U.S. Government and the manufacturing of coins, currency, and other products for customer agencies.

*The Executive Office of Terrorist Financing and Financial Crime (EOTFFC)* develops and implements U.S. Government strategies to combat terrorist financing domestically and internationally. These strategies include the National Money Laundering Strategy as well as other policies and programs to fight financial crimes. Generally, the FOIA requests they receive are complex and deal with sensitive topics such as requests for law enforcement records concerning the Treasury Department's efforts to combat terrorist financing and other financial crimes both within the United States and abroad. The office works closely with other entities to identify, block, and dismantle sources of financial support for terrorism and other criminal activities.

*Office of Foreign Assets Control (OFAC)* enforces economic and trade sanctions based on U.S. foreign policy and national security goals. OFAC implements sanctions against targeted foreign countries, terrorists, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction. Examples of records maintained by the office include: a Census of U.S.-based, foreign-owned assets which have been blocked at any time since 1940 identifying the location, type, and value of property frozen under OFAC administered programs; records on individuals who have engaged in or who are suspected of having engaged in transactions and activities prohibited by Treasury Department regulations; and investigations and administrative actions taken with respect to individuals and organizations suspected of violating statutes and regulations administered and enforced by OFAC.

*Office of International Affairs (IA)* advises and assists in the development and execution of U.S. international economic and financial policy, including the creation of policies for international financial, economic, monetary, trade, investment, bilateral aid, environmental, debt, development, and energy programs. International Affairs develops policy for U.S. participation in international financial institutions. Requests for records deal with a wide variety of complex international issues, treaties, national security and classification, documents referred from Presidential libraries, and intelligence community information. Documents date back to the 1940's, which may require a great deal of effort to search for records at the Federal Records Centers. Many requests require search and review of a voluminous amount of records as well as coordination in partnership with other federal agencies.

*Office of Tax Policy* develops and implements tax policies and programs. Also, it reviews regulations and rulings to administer the Internal Revenue Code; negotiates tax treaties; and provides economic and legal policy analysis for domestic and international tax policy decisions. Tax Policy also provides estimates for the President's budget, fiscal policy decisions, and cash management decisions. It responds to tax policy FOIA requests which are typically complex. Its records deal with the entire range of tax policy issues, international tax treaties, and documents referred by the IRS. Documents date back to the 1940's and can require a great deal of effort to search including the Federal Records Centers. Most requests require a search and review of a voluminous amount of records.

*The Office of General Counsel* advises Treasury clients on a wide range of legal issues ranging from broad policy aspects of all areas of Treasury business such as management of the public debt and administration of internal revenue and tariff laws to international cooperation in finance and law enforcement.

*Community Development Financial Institutions (CDFI)* expands the capacity of financial institutions to provide credit, capital, and financial services to underserved populations and communities in the U.S.

*Office of Inspector General (OIG)* advises the Secretary and Deputy Secretary by providing independent audits, investigations, and oversight to the Department of the Treasury and its programs. The most frequently requested records are OIG investigative reports and audit reports.

## **2. Organization for Treasury Bureaus' FOIA Operations**

Treasury Bureaus are primarily operating organizations that execute the operational facets of Treasury's business. The bureaus and their frequently requested records are:

*The Alcohol and Tobacco Tax and Trade Bureau (TTB)* enforces and administers laws on the production, use, and distribution of alcohol and tobacco products. TTB also collects excise taxes for firearms and ammunition. TTB receives requests for documents pertaining to industry applications for permits, organizational structures, ownership, officers and directors. TTB received 140 FOIA requests in FY2005.

*The Bureau of Engraving and Printing (BEP)* designs and manufactures U.S. currency, stamps, securities, and other official certificates and awards. Generally, BEP receives requests for records concerning personnel, contracts, and general information about the bureau. BEP received 90 FOIA requests in FY2005.

*The Bureau of the Public Debt (BPD)* borrows the money needed to operate the Federal Government and accounts for the public debt. It administers the public debt by issuing and servicing U.S. Treasury marketable, savings, and special purpose securities. The requests received most frequently pertain to Savings Bond records and unclaimed monies. BPD received 90 FOIA requests in FY2005.

*The Financial Crimes Enforcement Network (FinCEN)* collects, analyzes, and shares information needed to combat the financial aspects of criminal activity worldwide. The requests are frequently from individuals seeking information about them that may be contained in a FinCEN database, requests from third parties for records about other individuals, and records regarding entities believed to be involved in money laundering. FinCEN received 99 FOIA requests in FY2005.

*The Financial Management Service (FMS)* provides central payment services to federal program agencies, operates the Federal Government's collections and deposit

systems, provides government-wide accounting and reporting services, and manages the collection of delinquent debt. FMS received 355 FOIA requests by the end of FY2005.

*The Internal Revenue Service (IRS)* is the largest of Treasury's bureaus. It determines, assesses, and collects internal revenue in the U.S. The majority of FOIA requests received in the IRS involve first party requests - individuals seeking access to their tax records. Those cases that do not involve first party requests often involve retrieval of historical and background files regarding various procedural and technical opinions that have been issued by the IRS. The IRS received 41,912 FOIA requests in FY2005.

*The U.S. Mint (Mint)* designs and manufactures domestic, numismatic, and bullion coins as well as commemorative medals and other numismatic items. The Mint distributes U.S. coins to the Federal Reserve Banks and maintains physical custody and protection of our nation's silver and gold assets. Most FOIA requests to the Mint pertain to Mint contracts, records of a customer's coin purchases, coin mintages, designs, and specifications. The Mint received 316 FOIA requests in FY2005.

*The Office of the Comptroller of the Currency (OCC)* charters, regulates, and supervises national banks to ensure a safe, sound, and competitive banking system that supports the citizens, communities, and economy of the U.S. Requests received by the OCC most often pertain to national bank applications, legal interpretations, and other corporate documents. The OCC received 4,805 FOIA requests in FY2005.

*The Office of Thrift Supervision (OTS)* charters, examines, and regulates federal thrifts to maintain their safety and soundness. OTS also regulates state-chartered savings associations belonging to the Savings Association Insurance Fund and savings association affiliates and holding companies. The records that are most frequently requested pertain to the corporate applications filed with the OTS. The OTS received 4,071 FOIA requests in FY2005.

## **B. Areas Selected for Review**

To accomplish our primary goal of backlog reduction, we will review, validate, and consider improvements in the following areas:

- Reengineer any deficiencies the multi-track FOIA process
- Establish targets to increase production
- Monitor performance to decrease requests exceeding 20 days
- Provide necessary assistance to the personnel responsible for FOIA
- Create a FOIA Council for sharing ideas and accountability
- Escalate production to meet incoming requests in FY2006
- Increase production in FY2007 to achieve a 10% reduction in backlog

## **C. Narrative Statement**

The Department of Treasury's completed requests have not kept pace with the total volume of incoming requests since FY2000. The average pending total is 6,607 requests for the last five years (see Appendix Tab1 Chart: Treasury FOIA Historical Processing). To reduce the backlog, Treasury identified steps to improve FOIA processing. As discussed during the meeting with OMB on May 18, 2006 (see Appendix Tab 2), the following improvements were proposed:

- Obtain proven leadership
- Establish governance and sponsorship
- Set goals and identify resource needs
- Establish a FOIA Council

Success of these improvements will be measured through the results of backlog reduction. If these initiatives do not show any reduction success, then a reassessment of the FOIA process is necessary.

## **D. Area Chosen for Improvement**

### **1. Departmental Offices**

Departmental Offices is experiencing a growth of cases contributing to an already sizable backlog. Some of the offices already have backlogs exceeding 100 cases. If this trend continues, compared with the prior closeout rate of FY2005, then the backlog amount could conceivably double for some offices (see Appendix Tab 3 Chart: Departmental Office Raw Data Comparison). How to approach the backlog reduction is a two-phased process. First, Treasury must attempt to prevent new requests from exacerbating the backlog as they arrive in FY2006 and go beyond twenty days for a response. The focus will be on those offices already generating a trend toward not answering requests within twenty days. Second, Departmental Offices will tackle the backlog from the oldest requests forward, so that those requests do not statistically anchor us by continuing to stagnate (see Appendix Tab 4 Chart: 905 Pending Requests in Departmental Offices). To achieve this, the Departmental Offices will review their productivity of the prior year, FY2005 (see Appendix Tab 5 Chart: Total Closed Cases by Office). The levels of closed cases will be used as a measurement vis-à-vis their current production levels for FY2006. Surpassing those prior year production levels of closed cases would be an indicator of making headway into reducing the backlog. The goal is to closely monitor production levels. This will allow Departmental Office staff to "blitz" the backlog from both ends - the front end, which continues to grow if requests are not responded to within twenty days, and the back end - those requests which have been administratively stagnant.

## 2. Other Treasury Bureaus

Treasury's review will focus on backlog reduction. The following is a synopsis of each Bureau and the areas chosen for improvement according to the organization scheme of each Bureau. Overall, the Bureaus closed 53,987 cases in FY2005 (see Appendix Tab 6 Chart: Bureau Closed Cases FY2005). IRS receives the largest volume of the overall FOIA requests received by Treasury; consequently, the pending requests from FY2005 are a portion of IRS' total backlog (see Appendix Tab 7 Chart: Bureau Pending FY2005). However, the backlog total compared with their total closed cases is less than seven percent.

### *The Alcohol and Tobacco Tax and Trade Bureau (TTB)*

Based on the FY2005 annual report, TTB has 74 pending requests out of 201 processed requests. **Backlog reduction of 10% is anticipated by September 30, 2007.**

### *The Bureau of Engraving and Printing (BEP)*

Only three requests were pending in FY2005. **Backlog reduction of 10% is anticipated by September 30, 2007.**

### *The Bureau of the Public Debt (BPD)*

BPD's FY2005 annual report indicated 90 requests received and 90 requests processed. No pending requests remained. **Backlog reduction of 10% is anticipated by September 30, 2007.**

### *The Financial Crimes Enforcement Network (FinCEN)*

FinCEN has 78 pending requests according to their FY2005 annual report. **Backlog reduction of 10% is anticipated by September 30, 2007.**

### *The Financial Management Service (FMS)*

FMS had 12 pending requests at the close of FY2005. **Backlog reduction of 10% is anticipated by September 30, 2007.**

### *The Internal Revenue Service (IRS)*

Based on information from the FY2005 annual report, IRS has 2,913 pending requests; however, this backlog is minimal in comparison to the 42,533 cases which were processed in that year, and the caseload of 41,912 which were received in FY2005. This leaves the backlog at about 7% of the entire FOIA output for IRS. IRS' high volume processing provides a significant benchmark for effective administration of FOIA requests. **Backlog reduction of 10% is anticipated by September 30, 2007.**

### *The U.S. Mint (Mint)*

The Mint had only nine requests as backlog in their FY2005 annual report and met the case volume of requests in FY2005 with 316 responses. **Backlog reduction of 10% is anticipated by September 30, 2007.**



*The Office of the Comptroller of the Currency (OCC)*

There were five remaining requests at the end of FY2005 for OCC. They processed 4,814 requests. **Backlog reduction of 10% is anticipated by September 30, 2007.**

*The Office of Thrift Supervision (OTS)*

There are 94 pending requests remaining at the end of FY2005 according to the OTS annual report. This bureau processed over 4,000 requests. **Backlog reduction of 10% is anticipated by September 30, 2007.**

## **E. FOIA Backlog Reduction Improvement Plan**

### **1. Departmental Offices**

- a. Reduce backlog by 10% (December 31, 2007)
- b. Steps planned to implement:
  - 1) Obtain proven leadership (June 30, 2006)
  - 2) Form Departmental Offices FOIA Council (completed June 1, 2006)
  - 3) Form Treasury Bureau FOIA Council (completed June 1, 2006)
  - 4) Establish targets, monitor progress, establish response goals, reduce oldest requests, track delinquency, and implement team work (June 30, 2006)
    - a) Identify resource needs
    - b) Improve process efficiency
- c. Milestones
  - 1) Hire new FOIA Director of Disclosure Services (completed May 15, 2006)
  - 2) File improvement report with Department of Justice and Office of Management and Budget (June 14, 2006)
  - 3) Govern through FOIA Council (monthly)
  - 4) Closeout 10 oldest FOIA requests (completed May 23, 2006)
  - 5) Continue review on a rolling basis 10 oldest requests (quarterly)
  - 6) Report status to Chief FOIA Officer (monthly)
  - 7) Goal of 5% reduction (December 31, 2006)
  - 8) Target of 10% (June 30, 2007)
  - 9) Re-evaluate FOIA process based on results (December 31, 2007)
- d. Means of measurement of backlog reduction - outstanding requests compared to closed requests:
  - 1) By month of current fiscal year
  - 2) Annually
  - 3) Treasury-wide
  - 4) By Departmental Offices and Bureaus

## 2. Other Treasury Bureaus – See E1 above

### F. Grouped Improvement Areas

#### 1. Departmental Offices

<b>Complete by 12/31/06</b>	<b>Complete by 12/31/2007</b>	<b>Complete after 12/31/2007</b>
Establish FOIA Service Centers (March 31, 2006)	Implement goals set by FOIA Council for 10% reduction in backlog (January 1, 2007)	Adjust goals contingent upon results (January 1, 2007)
Hire new FOIA Director of Disclosure Services (May, 15, 2006)	Revise multi-track processing (June 30, 2007)	FOIA Council revise Plan/Report (March 31, 2008) and continue monthly meetings
Plan/Report due to OMB and DOJ (June 14, 2006) draft (June 6, 2006)	Report above in annual report through DO FOIA Council (September 30, 2007)	Revisit 10% goal for viability/flexibility (June 30, 2008)
Form DO FOIA Council (June 30, 2006)	Monitor target progress monthly at FOIA Council meeting	Establish plan/report for 2009-? (September 30, 2008)
Report to Chief FOIA Officer (monthly)	Continue monthly reporting to Chief FOIA Officer	Continue monthly reporting to Chief FOIA Officer

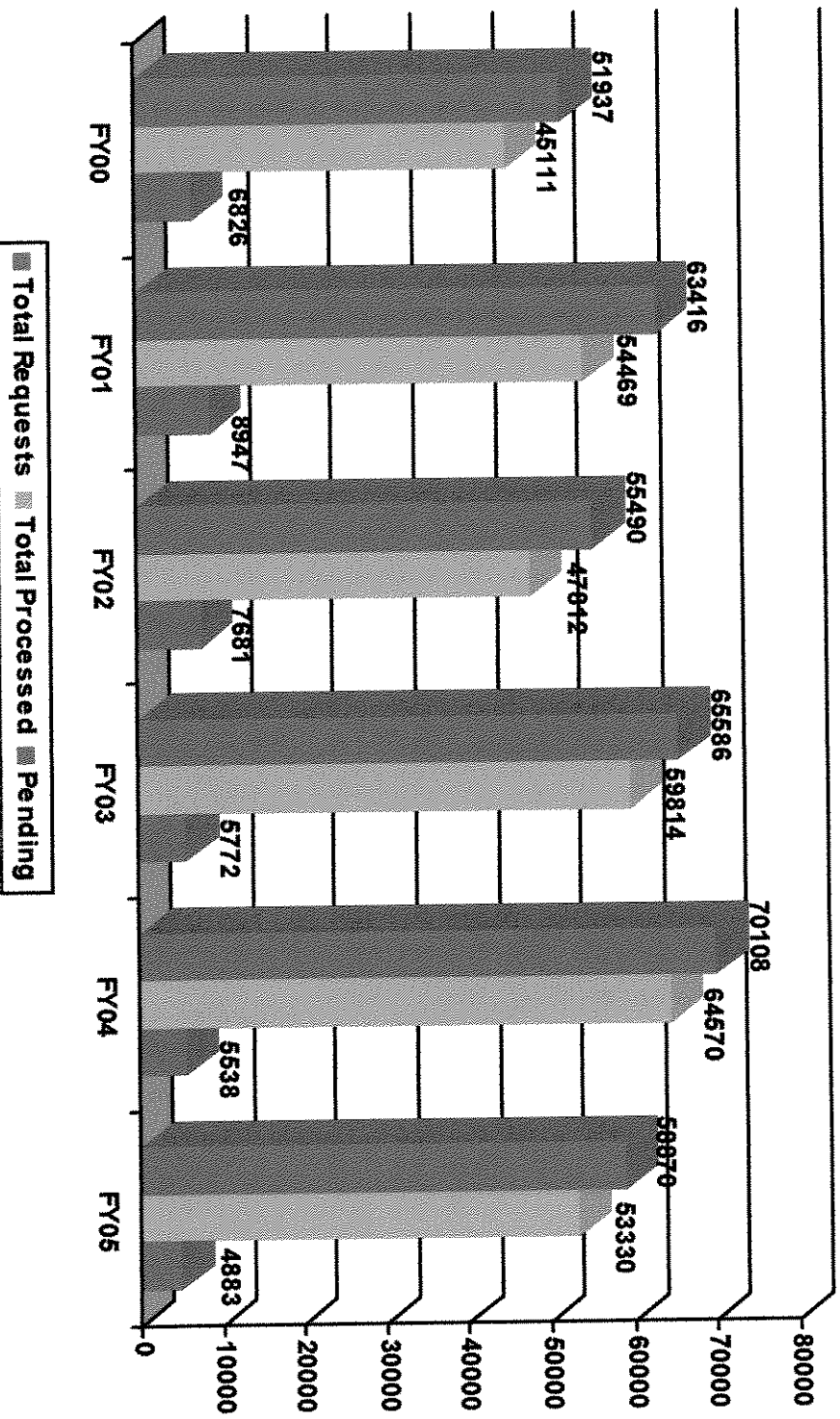
## 2. Other Treasury Bureaus

Complete by 12/31/06	Complete by 12/31/2007	Complete after 12/31/2007
Establish FOIA Service Centers (March 31, 2006)	Implement goals set by FOIA Council for 10% reduction of backlog (January 1, 2007)	Adjust goals contingent upon results (January 1, 2007)
Hire new FOIA Director of Disclosure Services (May 15, 2006)	Revise multi-track processing (June 30, 2007)	FOIA Council revise Plan/Report (March 31, 2008) and continue monthly meetings
Plan/Report due to OMB and DOJ (June 14, 2006) draft (June 6, 2006)	Report above in annual report from Bureau FOIA Council (September 30, 2007)	Revisit 10% goal for viability/flexibility (June 30, 2008)
Form Bureau FOIA Council (June 30, 2006)	Monitor target progress monthly at FOIA Council meeting	Establish plan/report for 2009-? (September 30, 2008)
Reports to Chief FOIA Officer (monthly)	Continue monthly reporting to Chief FOIA Council	Continue monthly reporting to Chief FOIA

TAB 1



# Treasury FOIA Historical Processing Volumes FY 2000 - 2005



TAB 2



# **Executive Order 13392**

## **Improving Agency Disclosure of Information**

### **Presentation to the**

**Office of Management and Budget**  
**May 18, 2006**



**U.S. Department of Treasury**  
**Disclosure Services**



# Meeting the Executive Order

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## Agenda:

- Our Progress in Meeting the Order and requirements of FOIA
- Our Next Steps





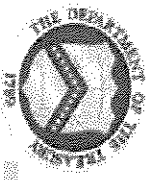
# We are making progress in meeting the Order and requirements of FOIA

<b><u>Requirement</u></b>	<b><u>Status</u></b>
• Designate a Chief FOIA Officer <i>Benefit – Gains sponsorship</i>	Complete January 13
• Establish FOIA Requester Service Centers <i>Benefit - Outreach</i>	Complete April 18
• Designate FOIA Public Liaisons <i>Benefit - Improves public interaction</i>	Complete April 18
• Information Posted on FOIA Web Site <i>Benefit – Improves information accessibility</i>	Complete May 5
• Review Treasury's FOIA operations <i>Benefit – Identifies current state and gaps</i>	Underway (target May 31)
• Develop improvement plan <i>Benefit – Identifies correctives actions &amp; milestones</i>	Target early June
• Submit improvement plan to Attorney General <i>Benefit – Establishes accountability</i>	Due June 14



# We have actions already underway to improve our FOIA process

- Obtaining proven leadership- new manager on board May 15
- Establishing governance and sponsorship
  - Forming Treasury FOIA Council (Bureau and Departmental Offices)
    - Chaired by DAS HQOPs (on Chief FOIA Officer behalf)
    - Includes senior officials in bureaus responsible for FOIA operations
- Setting goals and identifying resource needs through Council
  - Establish challenges by Bureau
    - Stop backlog growth in FY06
    - Reduce backlog 10% in FY07
    - Bring response time for new requests into compliance
  - Identify and request resources (estimated at 10-15 FTE and IT automation) to meet challenges – this initiative is contingent upon other priorities such as national security, etc.
  - Implementation plans due June
- Improving process
  - Reengineer, automate, attack oldest, accountability, resource allocation, etc.
- Monitoring and reporting through Councils to Chief FOIA Officer
  - Track completion rates by Bureau



# Our plan will continuously attack our ten oldest FOIA requests

<u>Request #</u>	<u>Office code</u>	<u>Date</u>	<u>Requester</u>	<u>Organization</u>	<u>Subject</u>	<u>Status/Action</u>
1991-04-013	OOF	1/23/1994	Thomas Mason	Individual	Unknown	Searching historical file
1991-04-15	OOF	3/19/1991	Thomas Mason	Individual	Unknown	Searching historical file
1991-04-016	OOF	3/19/1991	Thomas Mason	Individual	Unknown	Searching historical files
1991-04-017	OOF	3/19//1991	Thomas Mason	Individual	Unknown	Searching historical files
1991-04-018	OOF	3/19/1991	Thomas Mason	Individual	Unknown	Searching historical files
1991-04-019	OOF	3/19/1991	Thomas Mason	Individual	Unknown	Searching historical files
1991-04-020	OOF	3/19/1991	Thomas Mason	Individual	Unknown	Searching historical files
1991-04-021	OOF	3/19/1991	Thomas Mason	Individual	Unknown	Searching historical files
1991-04-022	OOF	3/19/1991	Thomas Mason	Individual	Unknown	Searching historical files
1991-04-023	OOF	3/19/1991	Thomas Mason	Individual	Unknown	Searching 9 historical files



## Next Steps

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<u>Action Required</u>	<u>Target Completion</u>
<ul style="list-style-type: none"><li>• Establish Governance/Sponsorship- Stand-up FOIA Council</li></ul>	June
<ul style="list-style-type: none"><li>• Establish Improvement Plan</li></ul>	Early June
<ul style="list-style-type: none"><li>• Review Improvement Plan with Chief FOIA Officer</li></ul>	Early June
<ul style="list-style-type: none"><li>• Govern through FOIA Council</li></ul>	Monthly
<ul style="list-style-type: none"><li>• Monthly reporting to Chief FOIA Officer</li></ul>	Monthly



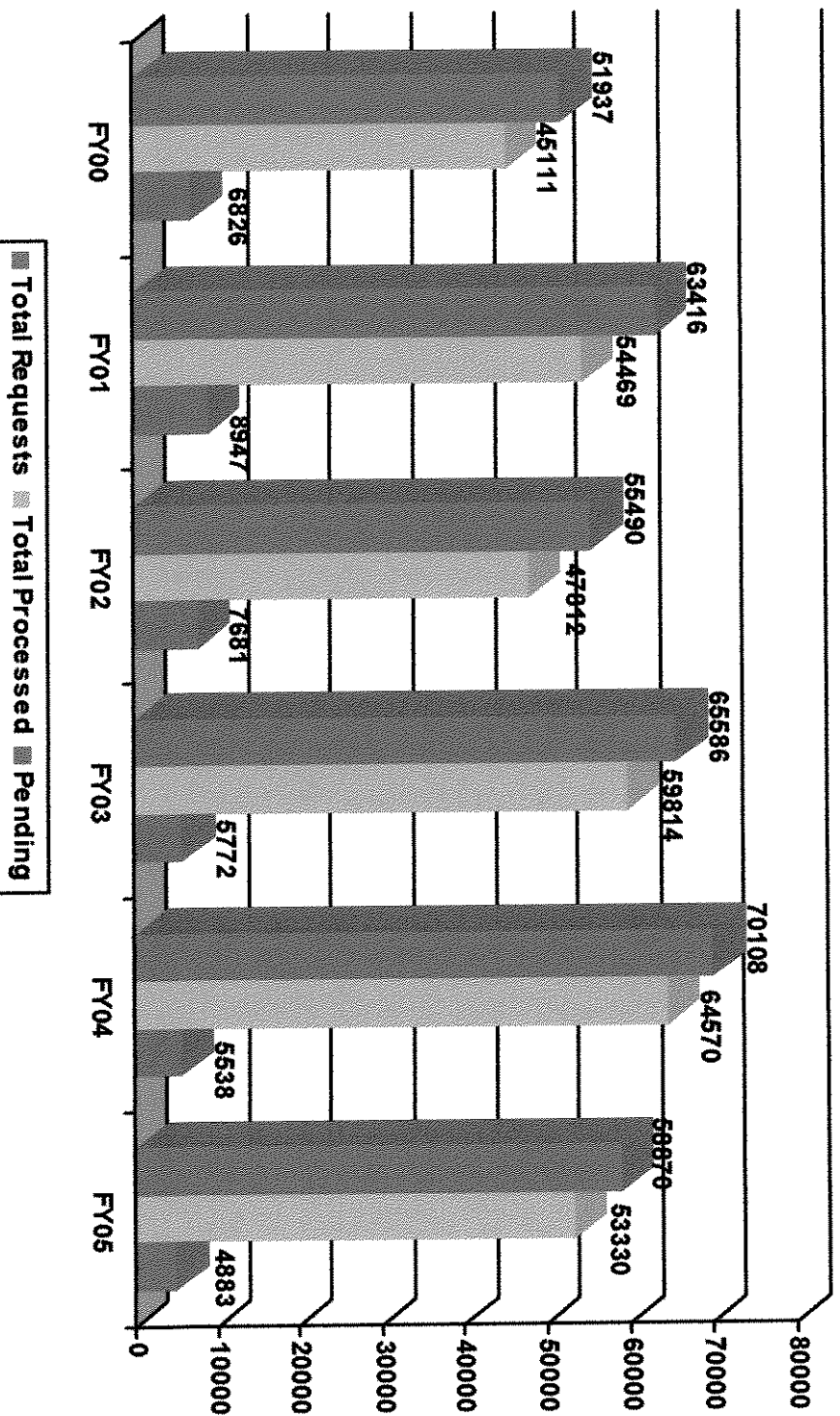
# Historical analysis of Treasury FOIA processing

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- Volumes
- Timeliness

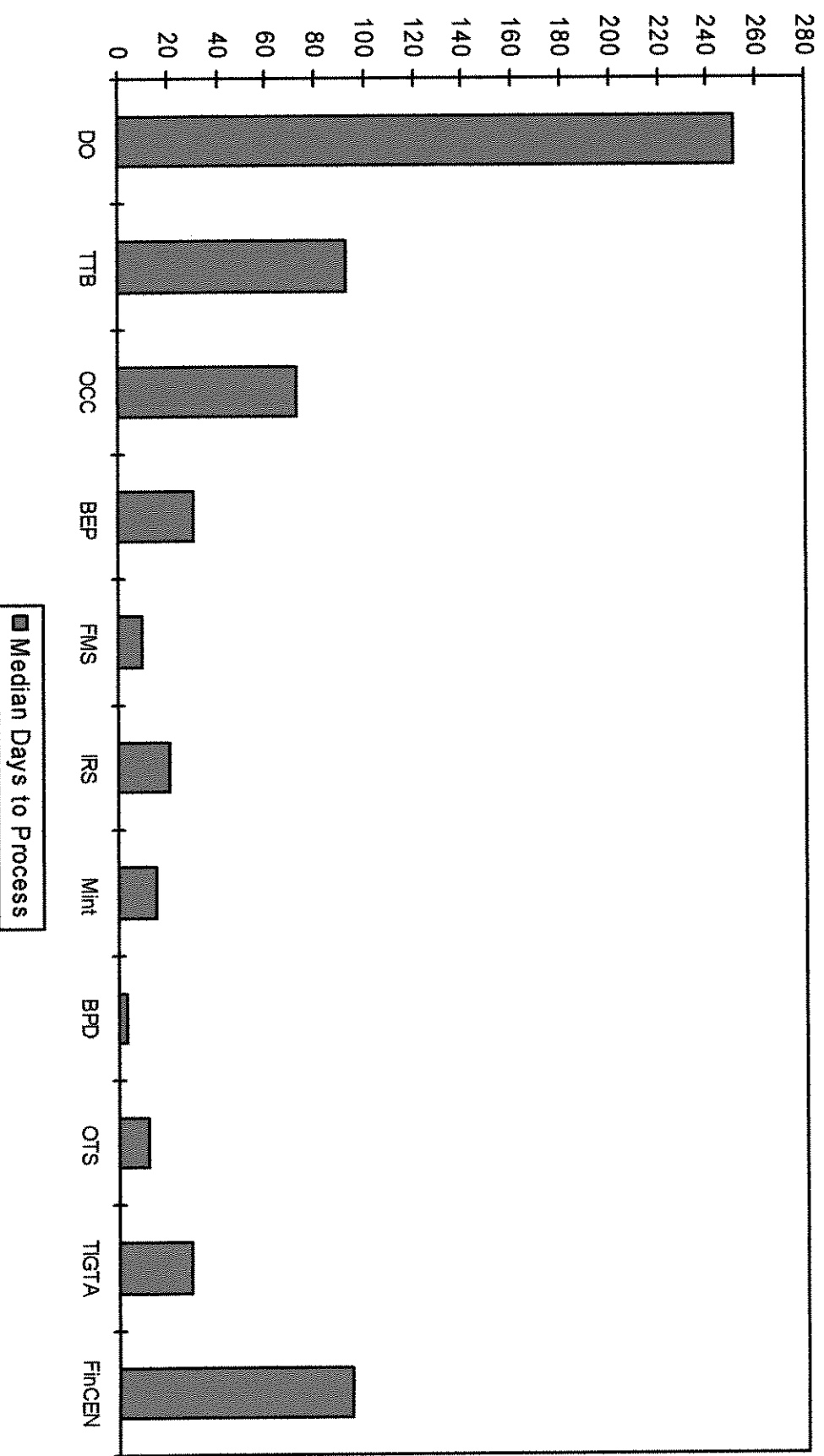


# Treasury FOIA Historical Processing Volumes FY 2000 - 2005





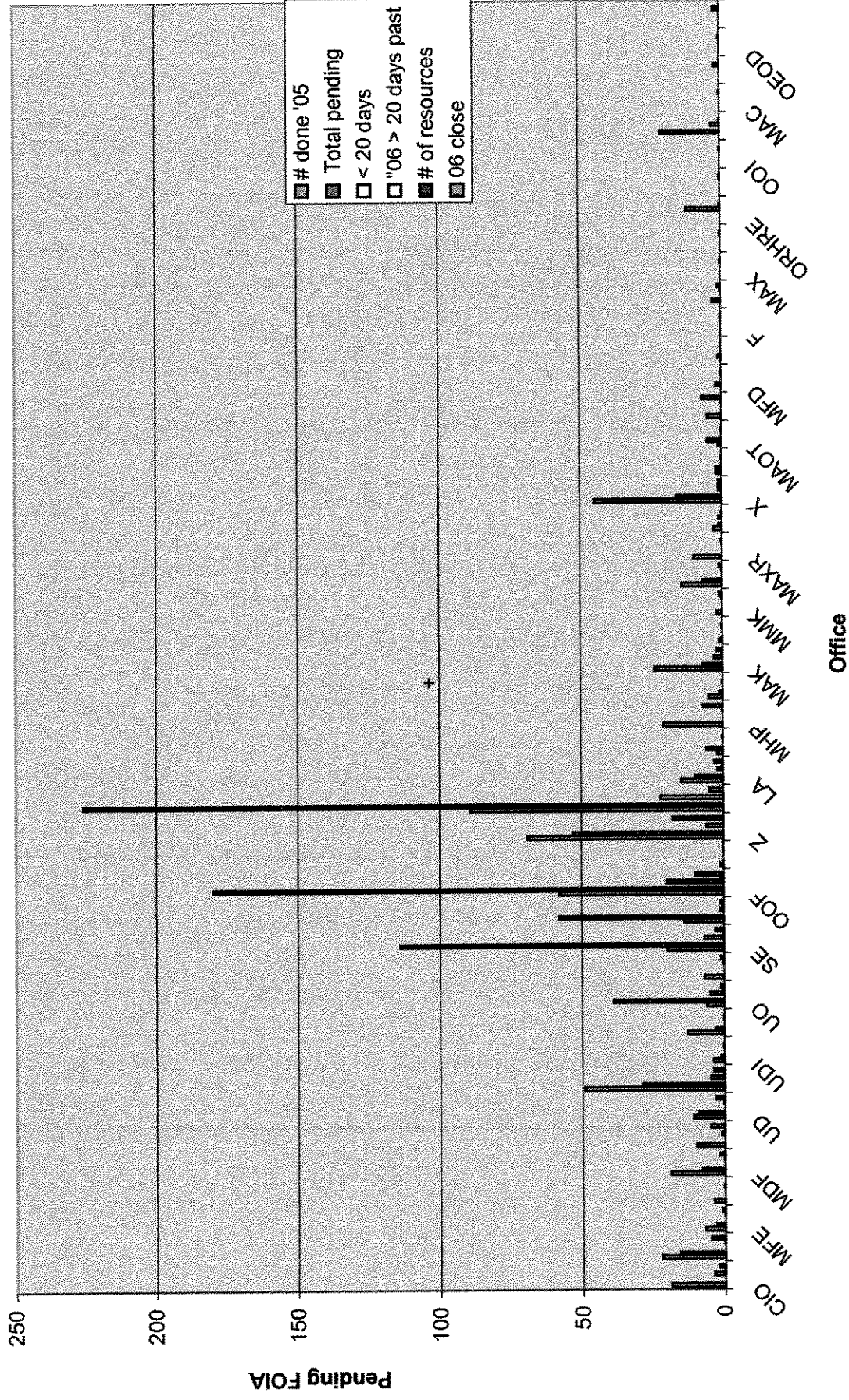
# Treasury FOIA FY 2005 Processing Timeliness



TAB 3

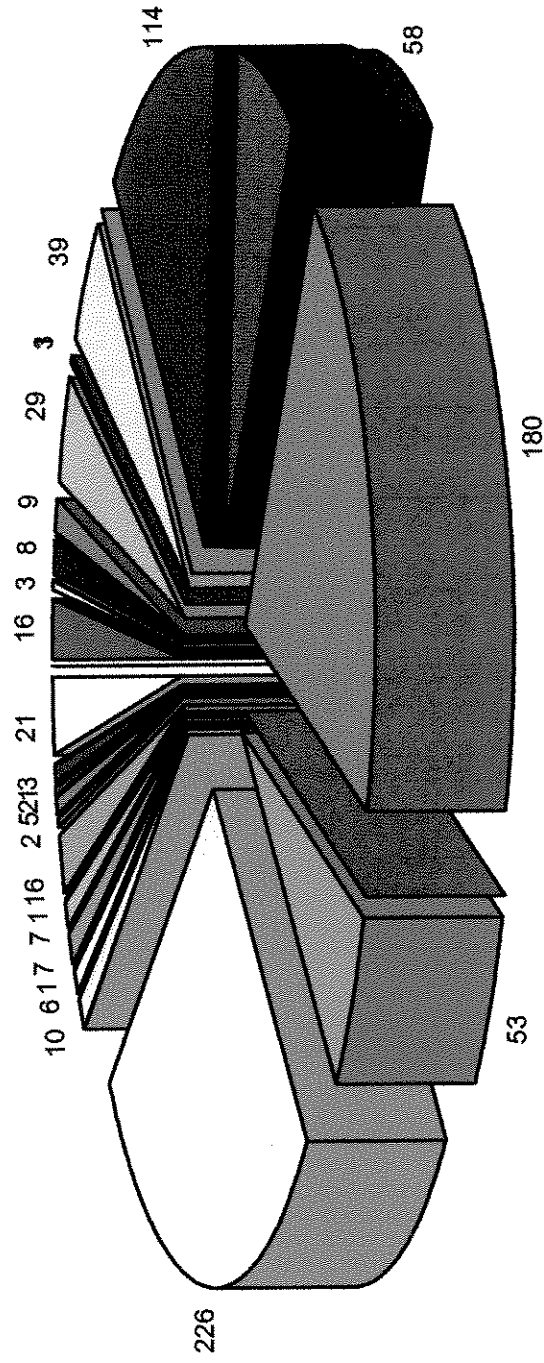


# Departmental Offices Raw Data Comparison



TAB 4

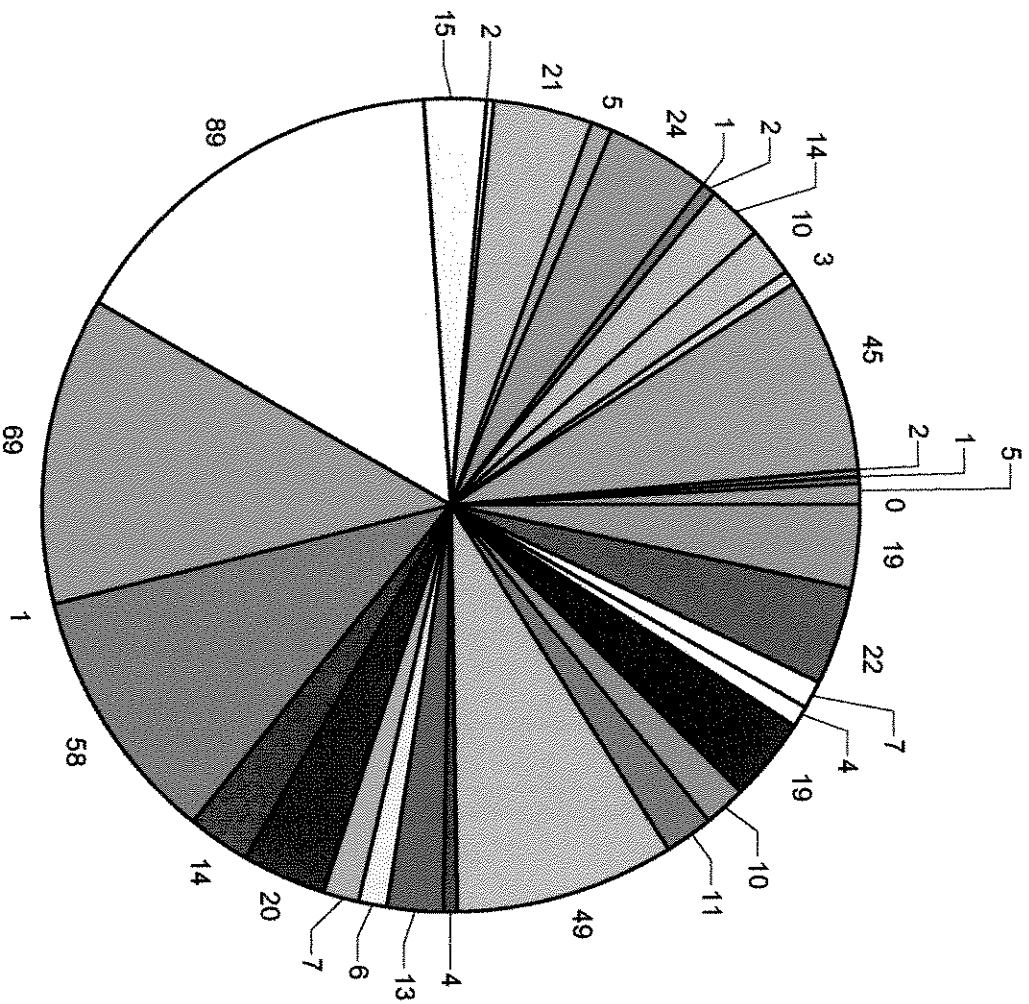
# 905 Pending Requests by Departmental Office as of May 18, 2006



■ CIO	■ ATSB	■ MFE	■ MDA	■ MDF	■ MAXD	■ UD	■ CDFI	■ UDI	■ E	■ UO	■ MHE	■ SE	■ GC	■ OOF	■ MHC	■ Z	■ I	■ LA	■ SEN	■ MHP	■ MH	■ MAK	■ MAE	■ MMK	■ PA	■ MAXR	■ MS	■ X	■ MAXT	■ MAOT
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TAB 5

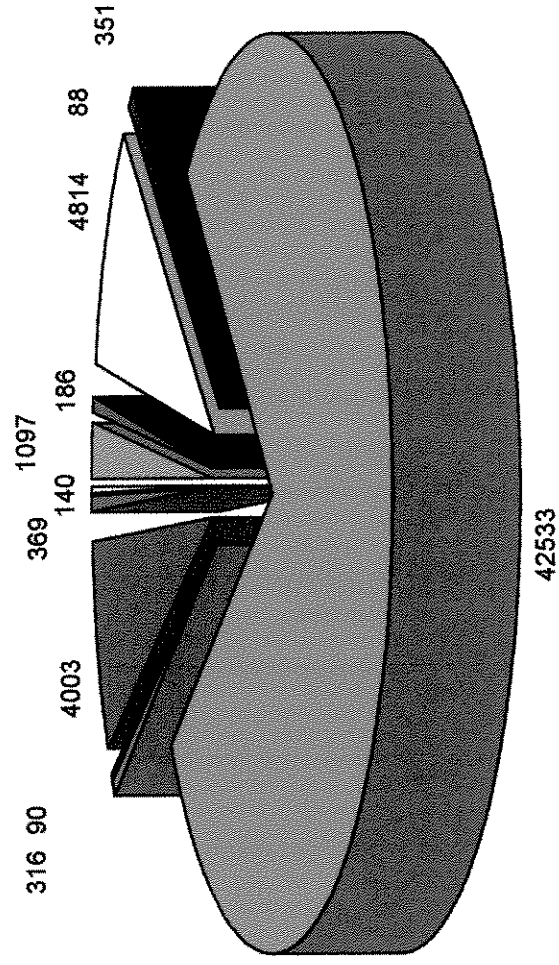
**Total 2005 Closed Cases by Departmental Office**



■ CIO
■ ATSB
□ MFE
□ MDA
■ MDF
■ MAXD
■ UD
■ CDFI
■ UDI
■ E
□ UO
■ MHE
■ SE
■ GC
■ OOF
■ MHC
■ Z
□ I
□ LA
□ SEN
■ MHP
■ MH
■ MAK
■ MAE
■ MMK
■ PA
■ MAXR
■ MS
■ X
■ MAXT
■ MAOT

TAB 6

**Bureau Closed Cases FY 2005**  
**Total Closed Cases 53987**



TAB 7



**Bureau Pending FY 2005**  
**Total Pending 4883**

